

FY 2001
PERFORMANCE PLAN

Contract No. DE-AC06-93RL12367
Bechtel Hanford, Incorporated

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A. INTRODUCTION

This FY 2001 Performance Plan describes the performance based fee available during FY 2001 and the primary process for evaluation and documentation of Bechtel Hanford, Inc.'s (BHI) performance with respect to the Performance Incentives (PIs) and Comprehensive Performance (CPs) measures established for FY 2001. The PIs and CPs for FY 2001 are Attachment 1 to this plan. This plan also outlines the change control process for the PIs, including approval and documentation of stretch and superstretch work scope. This plan may be revised from time to time at the discretion of the Government. In the event of a conflict, the contract takes precedence over the FY 2001 Performance Plan.

B. ADMINISTRATION OF PIs AND CPs

1. BHI Participation

BHI shall meet with RL subject matter experts (SMEs) and others (as necessary) for monthly project reviews. Part of the project review will be set aside to discuss BHI's performance with respect to the PIs and CPs. Documentation includes, but is not limited to, Monthly Project Review Reports (see Appendix 1). BHI may request additional meetings or provide suggestions on the agenda for these meetings. Should circumstances beyond BHI's control adversely impact an activity or criteria applicable to a PI or CP, BHI may request a revision to this Performance Plan.

2. Fee Structure

The fee structure for FY01 is described in Appendix 2. The total fee pool for FY 2001 is \$11,114,845.

3. Baseline (Regular) PIs

A total of \$9,398,356 of regular fee has been designated for FY 2001. Appendix 3 graphically depicts the process for administration of regular PIs. Changes to the DWP are accomplished using the Baseline Change Proposal (BCP) process outlined in ER-PC-01, "Baseline and Funds Management System." Changes to the PI's require the approval of the RL Manager. Requests for changes to the PI's should be supported by BCP's to the DWP when appropriate.

4. Stretch PIs

A total of \$1,327,067 of stretch fee has been designated in the PIs for accomplishment of selected unfunded work scope that is in addition to the DWP FY01 baseline work scope. To accomplish the stretch work, funding from efficiencies, underruns, scope reduction, and scope elimination may be used. Each stretch activity will be defined as a discrete scope of work, and may be authorized through the BCP process.

Fee will be awarded as detailed in the individual PIs that provide for stretch fee. The maximum amount of stretch work and the corresponding fee is identified in each PI that contains a stretch fee goal.

It is recognized that emerging work may preclude BHI from utilizing any or all of the funds made available by efficiencies, underruns, scope reduction, and scope elimination to perform stretch work. If emerging work substantially impacts BHI's ability to perform stretch work with identified savings, BHI may request a revision to this Performance Plan.

5. **Superstretch PIs**

There are two superstretch initiatives currently being performed using funding from FY 2000 (See Attachment 2).

There are no FY 2001 superstretch PIs. In the event that superstretch PIs are established, each superstretch activity will be defined as a discrete scope of work, and may be authorized through a revision to this Performance Plan. The amount of fee associated with each FY 2001 superstretch activity will be up to 20% of the approved cost estimate to perform the work. These superstretch activities may span across fiscal year boundaries (on an exception basis at DOE's discretion), in which case the associated funding (from savings) will be carried over as well. Any schedule variance associated with superstretch work will not be included in the schedule variance criteria measurement (unfavorable) for the regular PIs. Superstretch activities will be funded from the same sources as stretch PIs.

6. **Comprehensive Performance (CP) Measures**

A total of \$1,000,000 in regular fee has been designated in the CP measures for accomplishment of selected activities and demonstration of compliance with DOE expectations in certain key areas. Fee deductions are also specified if minimum expectations are not met. Completion of the selected fee bearing activities in the CP measures in a timely and quality manner, in accordance with the stated criteria, will earn the fee associated with that activity. Conversely, not meeting the expectation may result in earning less than all of the available fee, or (in the case of negative only measures), a fee deduction.

7. **Changes to PIs and CPs**

Changes to PIs and CPs require the approval of the RL Manager. Changes to the DWP do not constitute changes to the PIs or CPs. However, a change to the DWP may be the basis for a request from BHI for a change to this Performance Plan as addressed in paragraph B-1 above.

C. COMPLETION OF PIs AND CPs

1. There are two components to the fee, as shown in Appendix 2. Each component will be addressed as follows:
 - a. *PIs* – Performance will be measured for each PI. By completing the scope of work in accordance with the requirements in the PIs, BHI may earn the full performance fee associated with that PI.
 - b. *PIs COMPREHENSIVE PERFORMANCE MEASURES* – BHI performance will be assessed against the comprehensive measures. Fee award or deductions will be made in accordance with the scoring methodology in the CP.
2. BHI shall prepare Notice of Completion reports (in accordance with Appendix 4) for each PI and CP measure, as applicable. Notice of Completion reports shall be submitted as each PI or applicable CP is completed, and as the primary focus of BHI's self-assessment report. DOE will validate completion in accordance with Appendix 5.
3. BHI shall submit a self-assessment report no later than 15 working days after the end of the fee evaluation period. The self-assessment report shall include the applicable Notice of Completion reports. Achievements and deficiencies in BHI's performance during the evaluation period will be noted. Where deficiencies in performance are noted, BHI will describe the actions planned or taken to correct the deficiencies and avoid their recurrence.

D. PROVISIONAL PAYMENT OF FEE

The following is the detailed procedure for the provisional payment of fee to BHI in accordance with the contract:

1. The monthly provisional fee invoice is submitted to the DOE with the second biweekly cost invoice of the following month, or on the day of the ERC Project Review, if the Project Review date falls after BHI submits the second biweekly cost invoice. In any case, the invoice is submitted no later than the 22nd of each month. A fee invoice for completed PIs can be submitted with any cost invoice.
2. The monthly provisional fee payment is based on the composite performance rating of the individual PIs and CMs. The performance rating is determined monthly for each PI and CM and comprises the projected score and fee earned at completion. The projected composite performance rating is the total of the projected earned fee as a percentage of the total available fee pool. The projected performance rating is rounded down to 80% or the next lower 10%.

3. The amount of the monthly provisional fee is calculated as follows:

$$\text{Total Fee Pool} \times \text{Rounded Performance Rating (max. 80\%)} \times \frac{\text{\# of Months Elapsed}}{12} = \text{Cum. Fee Earned}$$

$$\text{Cum. Fee Earned less Fee Paid-to-Date} = \text{Current month Fee Due}$$

4. ***Fee for Completed PIs and CPs:*** Upon completion of a PI or CP, BHI will submit a notice of completion for consideration and approval by DOE. When the DOE has determined the rating for a completed PI or CP, in accordance with this plan, BHI can issue a fee invoice for the unpaid or overpaid balance of that PI or CP with the next cost invoice.

The final fee payment upon completion of a PI or CP is calculated by multiplying the Fee Pool for the individual PI or CP by the approved rating percentage (not limited to 80%), and deducting the provisional fee paid to date for that PI or CP.